

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Government agreed to enter into a tripartite MOU with Small Industries Development Bank of India and AP State Financial Corporation for financial restructuring of APSFC – Order – Issued.

INDUSTRIES & COMMERCE (IF CELL) DEPARTMENT

G.O. Ms. No. 2

Dated:- 04/01/2010.

Read:

LetterNo.AFC/AGM/2008-09 dated 05/01/2009 from the Managing Director,
A.P. State Financial Corporation, Hyderabad.

ORDER:

The Managing Director, Andhra Pradesh State Financial Corporation (APSFC) has informed that the Corporation has entered into a tripartite Memorandum of Understanding (MoU) with Government of Andhra Pradesh and Small Industries Development Bank of India (SIDBI) on 6th November, 2003 with an objective to take appropriate steps to revitalize, recapitalize and restructure the Corporation for improving the profitability and viability. The terms of MoU, interalia, covers the obligations and responsibilities to be abided by the Corporation, State Government and SIDBI. The validity of the MoU has expired on 5th November, 2008. The Corporation has approached SIDBI for renewal of MoU for a further period of 5 years. He has further stated that the SIDBI has convened a meeting with the CMDs and MDs of SFCs on 11.12.2008 at Mumbai to discuss the need to continue renewal of MoU. In pursuance of this meeting the Board of Directors of A.P. State Financial Corporation, in their meeting held on 30/12/2008 the following resolution has been passed:-

“Resolved to approve the draft MoU containing the obligations on the part of the Corporation and authorize the Managing Director to submit the draft MoU to the State Government with a request to give their consent to enter into a tripartite agreement with SIDBI and APSFC for renewal of MoU for a period of 5 years”.

2. Accordingly while submitting the draft MoU containing the obligations on the part of the Corporation, the MD, APSFC has requested the Govt. to accord approval for entering into MoU by the Corporation with the Government of Andhra Pradesh and SIDBI for renewal of MoU for a further period of 5 years.

3. After careful consideration of the matter Government hereby accord permission to the Managing Director, A.P. State Financial Corporation to enter into a tripartite MoU with SIDBI and Govt. of A.P. for renewal of MoU for a further period of 5 years for taking appropriate steps to revitalize, recapitalize and restructure the Corporation for improving the profitability and viability. The approved MoU is enclosed to this order.

4. This order issues with the concurrence of Finance Department vide their U.O. No.13877/253/Exp.I&C/2009, dt. 20.11.2009.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

B.SAMBOB
PRL. SECRETARY TO GOVERNMENT & CIP.

To
The Managing Director,
A.P. State Financial Corporation, Hyderabad.
The Reserve Bank of India, Hyderabad.
The Small Industries Development Bank of India, DFID, Nariman Bhavan, 237, Vinay K. Shah Marg, Nariman Point, Mumbai-400021.

(p.t.o.)

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Copy to:

PS to Minister (Maj. Inds.,C&EP, FP)

PS to Principal Secretary & CIP, Industries & Commerce Dept.

The Finance (FW.Expr.BG.II/Exp.I&C) Departments.

The General Administration (Cabinet) Department.

The Information, Technology & Communication Department.

Sf/Sc.

// FORWARDED : BY ORDER //

SECTION OFFICER